

# California MEDICAL ASSOCIATION

## NOTICES & REPORTS

### C.P.S. Medical Care Plan for "Over 65"

AS REQUESTED by the C.M.A. House of Delegates at their 1959 annual meeting, C.P.S. has "proceeded with all speed" in developing and selling an experimental health plan for persons 65 years of age and over.

On June 1, C.P.S. offered throughout California the "MD-Plan 65" for persons 65 and over who reside in the state. Enrollment will continue until midnight June 30 and protection will start for all enrolled members on July 1, 1959.

Benefits of the plan are in line with those authorized by the House of Delegates in accepting the recommendations contained in the report of the C.M.A. Special Committee on needs of the aging. These benefits are listed in the adjoining box. The price of the plan for subscribers is \$6.90 a month for men and \$7.90 for women.

A new approach was taken in establishing benefits and rates of this test program. Recognizing the medical requirements of persons 65 and over, the House of Delegates approved the recommendation that physician members provide their services at lower than usual fees and that provision be made for out-patient benefits which are not offered by any other plan. No contract provision was made for hospitalization, nursing care or drugs because these services cannot be provided by physicians at reduced costs.

C.P.S. fees for this program are in accordance with the action of the House of Delegates which approved a schedule based on 60 per cent of the \$5 conversion factor of the C.M.A. Relative Value Study (\$3 per unit).

#### Co-Payment Principle

The co-payment principle is being introduced into this program to control costs. This means that, in addition to the C.P.S. payment to physicians, members of the "MD-Plan 65" will make a co-payment of \$1 per unit for visits, for x-ray examinations and for laboratory services. Co-payments are

not required for surgical operation of any kind or for x-ray therapy for cancer.

All "MD-Plan 65" members are notified of the co-payment principle. Whether or not this deterrent to needless use of benefits will have the intended effect will depend largely upon the physician's co-operation in collecting the co-payment from the member as part of his fee.

Before the effective date of contract benefits, July 1, medical assistants should be advised of the need to request this co-payment. Each member will be identified by a special green identification card marked "MD-Plan 65." When such a card is presented, the medical assistant should remind the member of the co-payment required.

#### Income Provisions

The co-payment should be collected from all C.P.S. "MD-Plan 65" members whose annual gross income is \$3,000 or less for a single person or \$4,500 or less for a married couple. (It is expected that most persons purchasing this coverage will have incomes below these levels.)

Members whose annual incomes are higher than these amounts may be charged the difference between the C.P.S. payment and the physician's usual fee. In this case, however, fees should be discussed in advance of service.

---

T. ERIC REYNOLDS, M.D. . . . . President  
PAUL D. FOSTER, M.D. . . . . President-Elect  
JAMES C. DOYLE, M.D. . . . . Speaker  
IVAN C. HERON, M.D. . . . . Vice-Speaker  
DONALD D. LUM, M.D. . . . . Chairman of the Council  
SAMUEL R. SHERMAN, M.D. . . . Vice-Chairman of the Council  
MATTHEW N. HOSMER, M.D. . . . . Secretary  
DWIGHT L. WILBUR, M.D. . . . . Editor  
HOWARD HASSARD . . . . . Executive Director  
JOHN HUNTON . . . . . Executive Secretary  
General Office, 450 Sutter Street, San Francisco 8  
ED CLANCY . . . . . Director of Public Relations  
Southern California Office:  
2975 Wilshire Boulevard, Los Angeles 5 • DUNKIRK 5-2341

### Waiting Period

The majority of members will be entitled to all contract benefits effective July 1. The contract year mentioned in the benefits is for 12 months starting with the effective date. There will be a six-month waiting period, however, for service benefits on any existing condition for which the member has received medical treatment or advice during a six-month period preceding his membership.

Exclusions are generally the same as those which apply to other C.P.S. contracts.

No individual member of this plan will have his contract terminated or have his benefits or rates changed unless all other members of "MD-Plan 65" are likewise affected.

### Other Coverage

A member of the "MD-Plan 65" may not hold any other C.P.S. contract. If the member is covered by a *commercial* insurance company, C.P.S. will pay for contract benefits but the physician need not accept C.P.S. fees as full payment. C.P.S. will not pay for the *same* services received as benefits from any other *service* plan.

### Information to Members

In addition to the membership card and service agreement (contract), each "MD-Plan 65" member will receive a booklet fully describing the coverage, requirements and procedures of the contract, and a folder giving examples of co-payments.

Members will pay C.P.S. monthly by mailing their remittance with billing cards which are sent to them in advance. If a member fails to pay his dues in time (a 10-day grace period is being allowed), his membership will be dropped and re-instatement will not be possible until another enrollment period is announced. No further enrollment period is anticipated until experience on this program has been gained.

### Information to Physicians

Representatives of C.P.S. physician relations department will be glad to assist any physician or medical assistant who has questions on this program.

It is the hope of the Special Committee of the C.P.S. Board of Trustees that this test program may lead to a new answer to the problem of caring for the aged—medicine's answer, rather than the government's.

## BENEFITS OF "MD-PLAN 65"

### **SURGICAL BENEFITS** (for Illness or Injury)

YOUR PLAN provides surgical benefits *as often as needed in or out of the hospital* for:

- Operations involving cutting.
- Repair of fractures, dislocations, wounds and burns.

Benefits include separate payments for services of the following:

- Surgeon
- Assistant surgeon
- Anesthetist

### **PHYSICIAN VISITS IN THE HOSPITAL** (for Illness or Injury)

YOUR PLAN provides payments to physicians for the following services *up to 31 days each contract year*:

- Visits to the hospital as required, beginning with the first call.
- Extra time spent when a physician is detained to treat a member in critical condition.
- Services of consultants when requested by your physician.
- Necessary preoperative and postoperative treatment.
- X-ray or radium therapy for cancer or other malignancies.

### **HOME AND OFFICE VISITS** (for Illness or Injury)

YOUR PLAN provides payments for services of physicians *up to 50 visits each contract year*, including payments for the following:

- Visits in the physician's office or your home, beginning with the first visit.
- Extra time spent when a physician is detained to treat a member in critical condition.
- Services of consultants when required and requested by your physician.
- Necessary preoperative and postoperative treatment.
- X-ray or radium therapy for cancer or other malignancies.

### **DIAGNOSTIC X-RAY AND LABORATORY SERVICES**

YOUR PLAN provides for payments in accordance with the fee schedule *up to \$50 each contract year* for out-patient diagnostic x-ray examinations and laboratory services.